



Testimony
Elizabeth Gara, Executive Director
Connecticut Water Works Association
Before the
Environment Committee
March 14, 2011

RE: HB-6386, An Act Establishing the Department of Energy & Environmental Protection

The Connecticut Water Works Association (CWWA), a trade association of municipal, private and regional water companies, thanks you for the opportunity to comment regarding **HB-6386, An Act Establishing the Department of Energy & Environmental Protection (DEEP)**.

CWWA supports the goal of HB-6386 and its Acting Commissioner Daniel Esty – to better integrate environmental, energy and economic policies. A broader regulatory vision is certainly critical to developing balanced policies affecting our state's water resources.

As stewards of the state's environment, our members are committed to working with public officials and stakeholders to develop policies that protect the state's water resources. Currently, responsibility for making decisions about the state's water resources is vested in four different state agencies – the state Departments of Public Health, Environmental Protection, Public Utility Control and the Office of Policy and Management - resulting in disjointed policies that fail to address the need for comprehensive water policies.

Several studies, including a study conducted by the legislature's Program Review & Investigations Committee, have recommended changes in the way that policies affecting the state's water resources are developed. Under the current regulatory structure, decisions made regarding the use of the state's water resources are not always balanced among competing regulatory priorities and viewpoints.

We therefore believe that a new agency charged with thinking systemically about the environment and energy as well as economic revitalization is critical to ensuring that policies affecting the state's water resources will be more appropriately balanced. This need is underscored by the difficulty encountered by DEP in developing balanced stream flow regulations. Although DEP convened an advisory committee to develop comprehensive statewide stream flow regulations which included representatives from various agencies and stakeholder groups, concerns regarding the impact of the proposed regulations on economic development, agriculture, public health and safety, resulted in their rejection on two separate occasions by the legislature's Regulations Review Committee.

In order to comply with the regulations and make the required reservoir releases as called for in the proposed stream flow regulations, water utilities will have to modify dams and upgrade their infrastructure. In addition, because releasing water from reservoirs into rivers and streams may result in insufficient water supplies to meet the public health, safety, economic development and agricultural needs of the communities they serve, some water companies will have to develop new water supply sources. These costs are estimated to be in the range of hundreds of millions of dollars, based on projections by engineering consultants. In those areas where the development of new supplies or interconnections is not feasible, moratoriums on new service connections will have to be imposed, meaning no new construction and no new economic development projects in those areas until new supplies can be developed.

Unfortunately, the impact on economic development and the cost of compliance to ratepayers, municipalities and businesses was not addressed because DEP, by its own admission, was focused on environmental protection and not how compliance would be funded or impact communities and economic development.

We are also encouraged that HB-6386 may help ensure that ratemaking policies for private water companies will reflect environmental and water conservation goals. In addition, we appreciate and support the comments of the new administration and Acting Commissioner Daniel Esty that DEEP will be a partner – not an adversary – in driving economic growth and creating jobs.

We recommend that the goal of integrating environment, energy and economic policies be reflected in the mission of the new agency to help guide the development of more balanced environmental protection regulations. Consistent with this, we also direct you to the composition of the Water Planning Council, which would now be comprised of only three agencies and no other stakeholders. In order to ensure that the Water Planning Council shares the vision of integrating environment, energy and economic policies as well as public health and safety, we recommend that other agencies and stakeholders be given representation on the Council, such as the state Departments of Agriculture and Economic and Community Development.

In addition, we request that the proposed changes in Section 16-49 be revised to ensure that DPUC regulated utilities are not required to fund the operations of the entire agency through an assessment. Under current law, private water companies are only required to fund DPUC through this assessment.

Thank you for the opportunity to comment.